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OCA 86-1902

MEMORANDUM FOR: See Distribution

FROM: Legislation Division  
Office of Congressional AffairsSUBJECT: Senate Select Committee on Intelligence (SSCI) Version  
of Intelligence Authorization Bill, S. 2477 and Committee  
Report 99-307

1. Attached for your information is a copy of S. 2477, the Senate version of the Intelligence Authorization Act for Fiscal Year 1987, as it was introduced on May 21, 1986, by Senator Durenberger, Chairman of SSCI. The bill was also reported from SSCI on the same day and jointly referred to Judiciary, Armed Services, Foreign Relations and Governmental Affairs Committees to review provisions falling within their jurisdictions. The Armed Services Committee is primarily concerned with budget and funding matters and has expressed no opposition to the substantive provisions of the bill. Since the House Judiciary Committee had expressed some opposition to the enhanced FBI counterintelligence capabilities through greater access to financial records, telephone toll records and state/local criminal records, the Senate Judiciary Committee could also balk at these provisions. However, in that event, SSCI may suggest to Judiciary that they wait until the House/Senate Conference to resolve their differences. No opposition to the bill is expected from the Governmental Affairs Committee. In the past, the State Department has expressed concern over the diplomatic reciprocity provisions in Title VI of the bill. It is expected that the Foreign Relations Committee will voice some of the concerns. Following is a summary of the key features of the bill.

2. Counterintelligence and Diplomatic Reciprocity Provisions: To control the hostile intelligence presence in the United States, Title VI of the bill contains three initiatives that would close or significantly narrow the gaps in current law governing foreign missions. Section 601 would expand the definition of "foreign mission" to commercial entities operated by foreign governments. Since foreign intelligence services have become adept at using commercial cover and business dealings for espionage purposes, this provision would ensure that such commercial entities can be subject to foreign mission controls. There is no equivalent provision in the House bill.

3. Under section 602, it would be a declared policy of the United States that the number of nationals serving the Soviet Mission to the United Nations should not substantially exceed the number of U.S. nationals serving the U.S. mission to the United Nations. Presently the number of Soviets serving at their United Nations mission is significantly higher than any other foreign

countries' mission to the U.N. According to the FBI, a significant number of these Soviet nationals are professional intelligence officers. Accordingly, the rationale for this provision is that a reduction in the number of Soviet nationals at their U.N. mission would reduce the hostile intelligence threat in the United States. There is no equivalent provision in the House bill.

4. Representatives of foreign governments must register with the Attorney General before conducting activities in the U.S. However, diplomats and persons engaged in legal commercial transactions are exempt from registration. Section 603 is intended to narrow the commercial exemption if the agent is from the Soviet Union, Eastern bloc countries or Cuba. Such exemption would also be withdrawn for any agent convicted of espionage or technology transfer laws. There is no equivalent provision in the House bill.

5. "Pre-1982 Former Spouses" Relief. Sections 406 and 407 would give survivor's benefits and health benefits respectively to the relatively small number of "former spouses" not covered by the former spouses legislation of previous years. These provisions are comparable to sections 302 and 303 of the House bill.

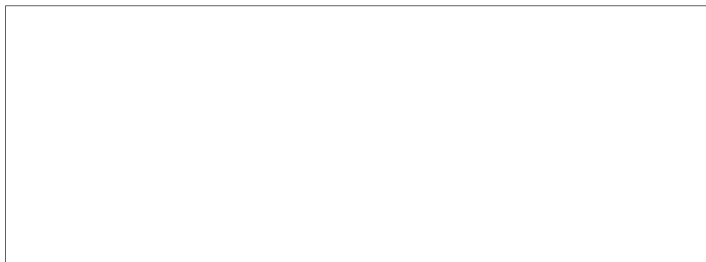
6. Classified Record Destruction Schedule. Before the U.S. Archivist approves any request for the disposal of federal records, such request must be published in The Federal Register with opportunity for public comment. Since CIA and NSA records are classified, such public notice serves no useful purpose. Section 401 would exempt the CIA and NSA from these requirements. An attempt was made to include such a provision in the House bill, but the House Government Operations Committee resisted these efforts.

7. Various DOD Provisions. Several DOD housekeeping provisions are also included in the bill: A two-year extension of SecDef's DIA personnel termination authority, (402); clarification of the Defense Mapping Agency's authority to enter into international agreements, (403); DIA medical evacuation authority, (404); and limited DOD authority to "recycle" proceeds from counterintelligence operations, (405).

8. Reserve for Contingencies and Covert Action Reporting. While there are no provisions in the Senate bill on covert action reporting, the Committee report (on page 4), states that when the Reserve for Contingencies is used to support covert action such proposed action should have the concurrence of at least one of the two intelligence oversight committees. If such notice and concurrence is not given, the SSCI warns that it would consider placing statutory restrictions on the use of the reserve fund.

9. I will be happy to answer any additional questions you or your staff may have on the bill. We will keep you apprised of any further developments.

Attachment  
as stated



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